



STATE OF WISCONSIN

Senate Journal

Ninety–Third Regular Session

10:00 A.M.

THURSDAY, March 20, 1997

The Senate met.

The Senate was called to order by Senator Fred Risser.

The Chair, with unanimous consent, asked that the proper entries be made in the journal.

INTRODUCTION, FIRST READING AND REFERENCE OF BILLS

Read first time and referred:

Senate Bill 129

Relating to: the playing of bingo by persons under the age of 18.

By Senators Buettner and Zien; cosponsored by Representatives Owens, Kreibich, Ryba, Musser, Handrick, Skindrud, Lazich, Grothman, Gronemus, Goetsch and Plale.

To committee on **Judiciary, Campaign Finance Reform and Consumer Affairs**.

Senate Bill 130

Relating to: sale of rabies vaccine and rabies vaccination of dogs.

By Senators Clausing, Fitzgerald, Moen, Wirch, Rude, Jauch, Buettner, Weeden, Wineke, Schultz, Risser, Grobschmidt, Welch, Huelsman and George; cosponsored by Representatives Ward, Gronemus, Hanson, Baumgart, M. Lehman, Ott, Freese, Skindrud, Hahn, Kreuser, Robson, Wasserman, Goetsch, Zukowski, Vrakas, J. Lehman, La Fave, Baldwin, Notestein, Powers, Kreibich, Brandemuehl and Gunderson.

To committee on **Agriculture and Environmental Resources**.

Senate Bill 131

Relating to: prohibiting performance of certain partial–birth abortions and providing a penalty.

By Senators Fitzgerald, Grobschmidt, Zien, Huelsman, Farrow, Cowles, Welch, A. Lasee, Darling, Schultz, Buettner, Weeden and Breske; cosponsored by Representatives Goetsch, Wood, Ladwig, Seratti, Freese, Green, Walker, Ryba, Lazich, F. Lasee, Ward, Kreibich, Zukowski, Ziegelbauer, Huebsch, Ainsworth, Hoven, Dobyns, Nass, Handrick, Vrakas, Urban, Lorge, Otte, Duff, Hutchison, Staskunas, Owens, Harsdorf, Powers, Kelso, Hahn, Gard, Sykora, Jeskewitz, Schafer, Ott, Brandemuehl, Gunderson, Porter, Vander Loop, Olsen and Plale.

To committee on **Judiciary, Campaign Finance Reform and Consumer Affairs**.

Senate Bill 132

Relating to: deductions from the sales price of property that is sold because of delinquent property taxes.

By Senators Grobschmidt, Plache, Farrow and Burke; cosponsored by Representatives Plale, Bock, Riley, La Fave, Notestein, Boyle, Hahn, Kelso, Huber, Nass, Olsen and Turner.

To committee on **Economic Development, Housing and Government Operations**.

Senate Bill 133

Relating to: records maintained by the department of transportation of security interests in certain vehicles.

By Senators Drzewiecki and Cowles; cosponsored by Representatives Hahn, Gard, Albers, Otte, Freese, Goetsch, Porter, Kaufert, Kelso, Gronemus and Grothman.

To committee on **Labor, Transportation and Financial Institutions**.

Senate Bill 134

Relating to: segregated fees at the University of Wisconsin System.

By Senators Welch, Farrow, Weeden, Fitzgerald, Schultz and Buettner; cosponsored by Representatives Handrick, Grothman, Walker, Jensen, Ladwig, Hahn, Goetsch, Duff, Owens, Albers, Otte, Ott, Nass, Kelso, Seratti, Gard and Gunderson.

To committee on **Education**.

Senate Bill 135

Relating to: dividing land within an assessor's plat by subdivision plat or certified survey map.

By Senators Welch, Risser, Rude, Farrow and Drzewiecki; cosponsored by Representatives Powers, Hanson, Goetsch, Meyer, Albers, Grothman, Musser, Hahn, Olsen, Urban, Hasenohrl, Travis and Baumgart.

To committee on **Economic Development, Housing and Government Operations**.

REPORT OF COMMITTEES

The committee on **Agriculture and Environmental Resources** reports and recommends:

Senate Bill 34

Relating to: disposal facilities on outlying waters for toilet wastes from boats and granting rule–making authority.

Passage.

Ayes, 5 – Senators Clausing, Shibilski, Wirch, A. Lasee and Zien.

Noes, 0 – None.

Alice Clausing
Chairperson

PETITIONS AND COMMUNICATIONS

**State of Wisconsin
Office of the Commissioner of Insurance**

February 1997

The Honorable, The Legislature:

Pursuant to section 153.10 (1), Wis. Stat., we are pleased to submit to the Governor and to the Legislature the quarterly Health Care Data Report. This report is based on hospital inpatient discharge data reported to the Office of Health Care Information by all operating general medical-surgical and specialty hospitals in Wisconsin for the first quarter of 1996. It also contains selected ambulatory surgery utilization and charge data from general medical-surgical hospitals and freestanding ambulatory surgery centers in Wisconsin during the same quarter.

This report fulfills the statutory requirement to report *“in a manner that permits comparisons among hospitals . . . the charges for up to 100 health care services or diagnostic-related groups selected by the office.”*

Sincerely,

JOSEPHINE W. MUSSER
Commissioner of Insurance

BARBARA A RUDOLPH, PH. D.
Deputy Director
Office of Health Care Information

**State of Wisconsin
Clean Water Fund**

March 19, 1997

The Honorable, The Senate:

The attached information regarding the Wisconsin Clean Water Fund Biennial Finance Plan is submitted in accordance with subsection 281.59 (3) (bm) of the Wisconsin statutes. That subsection requires the Department of Natural Resources and the Department of Administration to submit to the legislature and the Building Commission any amendments to the Biennial Finance Plan which are necessary to reflect material approved by the Governor for inclusion in the biennial budget.

After the biennial budget is enacted a revised version of the Biennial Finance Plan will be distributed with changes which reflect actions taken in the budget.

If you have any questions regarding the Biennial Finance Plan, please contact Kathryn A. Curtner at 266-0860 or Frank Hoadley at 266-2305.

Sincerely,

KATHRYN A. CURTNER
Director, Bureau of Community Financial Assistance
Department of Natural Resources

FRANK R. HOADLEY
Capital Finance Director
Department of Administration

**State of Wisconsin
Investment Board**

March 13, 1997

The Honorable, The Legislature:

Section 25.17(14r) of the Statutes requires that the State of Wisconsin Investment Board (SWIB) submit a report to the Joint Committee on Audit, Joint Committee on Finance, and Chief Clerks of each House summarizing any change in the Board's Investment policies, upon adoption of the change.

We annually review our Investment Policy Guidelines to ensure that they are up-to-date and that they reflect current industry practices. On March 6, 1997, the Board adopted revised Investment Policy Guidelines which are attached. Additions to the previous guidelines are shaded and deletions are the ~~stricken~~ material.

The Overall purpose of the revisions was to make the document more concise and clarify language which could be subject to more than one interpretation. The format of the guidelines has been changed to provide more description of our overall investment policy and approach. We have also identified more clearly the purpose and objectives for each of our portfolios. Language regarding the use of derivative instruments has been upgraded to more clearly reflect the approval and review of such transactions which is provided by our Risk Committee.

A substantive change was made to the guidelines for our domestic equity portfolios to reflect restructuring of the portfolios which invest in stocks of large companies. The changes which have been made should enhance returns in this area of the market.

- Guidelines have been established for the Large-Cap Modeled Portfolio. This portfolio will apply modeling techniques to identify sectors and stocks which appear to be undervalued or overvalued. Investments in large companies are also actively managed in the Large-Cap Issue Selection Portfolio, which applies fundamental analysis of individual companies to select investments.
- Parameters for all of our domestic equities portfolios (small-mid-and large-cap) have now been defined to encourage investment in designated capitalization ranges, consistent with the benchmark for each portfolio, yet permit portfolio managers to take advantage of opportunities they find elsewhere in the stock market.

We hope that these revisions will make it easier to understand the objectives and mandates for each of our portfolios. Please contact me if you have any questions about the Investment Policy Guidelines or other matters.

Sincerely,

PATRICIA LIPTON
Executive Director

**State of Wisconsin
Investment Board**

March 18, 1997

The Honorable, The Legislature:

As provided under section 25.17(14m) of the Statutes, attached is the Investment Board's annual performance report to the Legislature. This report discusses our progress in meeting investment goals, the types of investments managed by the Board, our performance in 1996 and investments in Wisconsin.

Key points of note in this report:

- The Fixed (or balanced) Retirement Fund returned 14.4% in 1996. The Fund outperformed its investment benchmark for the one-, five- and ten-year periods. SWIB's performance over the benchmark resulted in \$1.5 billion in added returns for the Fixed Fund over the last five years. Gains in the Fixed Fund surpassed the 14.24% median return for a peer group of public funds in 1996. Additional performance information and cost of management

data for our peers should be available within the next several months.

- The Variable Retirement Fund returned 19.8% for the year as compared to 23.0% for the S&P 500. The Variable Fund is primarily a stock fund but is diversified into a number of markets which are not represented in the S&P 500, including smaller company stocks, international stocks, venture capital and emerging markets. On a risk adjusted basis, the Variable Fund outperformed the S&P 500 index over five years.
- The Board continues to give priority to strengthening systems for measuring and managing investment risk. The planned upgrade of our information systems includes automated tracking of risk across portfolios. We currently monitor the volatility of returns, interest rate sensitivity, foreign currency exposure, emerging market risk, liquidity and the use of derivatives. There has been no significant overall change in these risk elements for the Fixed and Variable Retirement Funds since our report to the Legislature in July 1996.
- The State Investment Fund (SIF) returned 5.3% for the year and outperformed its benchmark for the one-, five- and ten-year periods. The SIF is the short-term cash management fund for local governments, state agencies and the Fixed and Variable Trust Funds. The SIF return ranked second out of 227 government funds in the IBC/Donoghue Government Index and 95th out of 813 money market funds in the IBC/Donoghue All Taxable Money Market Index.
- SWIB's investments in companies headquartered in Wisconsin totaled \$1.9 billion as of June 30, 1996. An additional \$6.1 billion was invested in companies not headquartered here but with 20 or more Wisconsin employes. Our investments in Wisconsin are made within the context of our fiduciary responsibility to the Retirement Funds.

The additional resources we received in 1996 were an important factor in our solid returns last year. We greatly appreciate the support of the Governor and Legislature in addressing those needs.

Please contact me if you have any questions about this report or other matters.

Sincerely,
 PATRICIA LIPTON
 Executive Director

**State of Wisconsin
 Legislative Audit Bureau**

March 18, 1997

The Honorable, The Legislature:

We have completed an evaluation of the Department of Transportation's management of the highway program as part of our ongoing audit of the Department. Our limited review of other functions in the Department suggests that the highway program presents the best opportunity for improved efficiency. In fiscal year (FY) 1996-97, the Department will spend \$1.58 billion, including \$867.9 million, or 54.9 percent of the total, on state and local highways. Cost-effective management

of these funds is important, especially when demands for increased transportation funding exceed available revenues.

The cost of design and construction engineering has increased 35.8 percent above inflation since FY 1987-88, but only part of this increase can be explained by salary adjustments and increased workload. While the Department has developed some measures of performance, decreased the ratio of managers to staff, and reorganized to place greater emphasis on a balanced transportation program, cost increases have not been analyzed to provide managers with information on how efficiency can be improved. More detailed cost analysis, holding design engineers accountable for design quality, systematic evaluation of engineering and construction contractor performance, and development of more useful performance measures are needed to limit project cost overruns and improve program management.

Routine maintenance of state highways, which is performed by counties under contracts with the Department, appears adequate. However, county concerns about the 9.3 percent decline in maintenance funding over the past ten years call into question whether the current funding level will continue to be sufficient.

If management improvements are made, some millions of dollars may be saved. However, because more than 64 percent of expenditures for the highway program will pay for construction costs, achieving substantial savings will require slowing the pace of major improvements, limiting the scope of rehabilitation projects, or modifying construction standards to emphasize cost reductions.

We appreciate the courtesy and cooperation extended to us by Department of Transportation staff and county highway commissioners. A response from the Secretary of Transportation is Appendix II.

Sincerely,
 DALE CATTANACH
 State Auditor

EXECUTIVE COMMUNICATIONS

**State of Wisconsin
 Office of the Governor**

February 27, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint SULLIVAN, MICHAEL J., of Madison, as a member of the Prison Industries Board, to serve for the term ending May 1, 2000.

Sincerely,
 TOMMY G. THOMPSON
 Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

**THE STATE OF WISCONSIN
 OFFICE OF THE GOVERNOR**

EXECUTIVE ORDER #307

Relating to the Creation of the Governor's Blue Ribbon Task Force on the Stewardship Program

WHEREAS, Wisconsin's natural resources have always been important to the social, economic and cultural welfare of the state; and

WHEREAS, the State's natural resources must be preserved and protected for future generations; and

WHEREAS, the Warren Knowles–Gaylord Nelson Stewardship Program has played a substantial role in preserving, protecting and providing opportunities for enjoyment of these resources for the future; and

WHEREAS, the Warren Knowles–Gaylord Nelson Stewardship Program will expire June 30, 2000; and

WHEREAS, Wisconsin must continue to secure opportunities for future generations to enjoy, protect and preserve the natural resources of the state;

NOW, THEREFORE, I, TOMMY G. THOMPSON, Governor of the State of Wisconsin, by the authority vested in me by the Constitution and the laws of this State, and specifically by Section 14.019 of the Wisconsin Statutes, do hereby:

1. Create the Governor’s Blue Ribbon Task Force on the Stewardship Program (hereinafter the “Task Force”) to evaluate the Warren Knowles–Gaylord Nelson Stewardship Program and propose alternatives for the future of this program; and
2. Provide that the Task Force shall consist of not more than twenty-five (25) members appointed by the Governor to serve at the pleasure of the Governor and that the Governor shall designate one (1) member as chair to serve in this capacity at the pleasure of the Governor; and
3. Require the Task Force to prepare and submit a report to the Governor detailing its findings and proposing alternatives for the continuation of the Warren Knowles–Gaylord Nelson Stewardship Program, or the creation of a similar program; and
4. Require the Task Force to address and consider the following issues:
 - a. The effectiveness of the Warren Knowles–Gaylord Nelson Stewardship Program in preserving, protecting and providing opportunities for enjoyment of Wisconsin’s natural resources; and
 - b. Identification of long-term natural resources needs; and
 - c. Funding alternatives for a stewardship program; and
 - d. Enhancement of the State’s agricultural and rural economies; and
 - e. The role of local governments in achieving Wisconsin’s natural resources objectives; and
 - f. The role of land trust partnerships; and
 - g. The role, if any, of a stewardship program in local land use decision making; and
5. Require the Task Force to submit its final report to the Governor not later than July 1, 1998; and
6. Direct the University of Wisconsin System and other state agencies to provide assistance to the Task Force at the request of the chair; and
7. Direct the Department of Natural Resources to provide staff assistance to the Task Force; and
8. Direct the Secretary of the Department of administration to provide the Task Force with

such sums of money as are necessary for travel and operating expenses in accordance with Section 20.505(3)(a) of the Wisconsin Statutes; and

9. Provide that the Task Force shall dissolve when its final report is accepted by the Governor.

IN TESTIMONY WHERE OF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the city of Madison this fourteenth day of March in the year one thousand nine hundred and ninety–seven.

TOMMY G. THOMPSON
Governor

BY THE GOVERNOR:

DOUGLAS LA FOLLETTE
Secretary of State

**REFERRALS AND RECEIPT OF
COMMITTEE REPORTS CONCERNING
PROPOSED ADMINISTRATIVE RULES**

Senate Clearinghouse Rule 96–163

Relating to the definition of prison industry.

Submitted by Department of Corrections.

Report received from Agency, March 18, 1997.

Referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs**, March 20, 1997 .

The committee on **Agriculture and Environmental Resources** reports and recommends:

Senate Clearinghouse Rule 96–129

Relating to reimbursement procedures for regional and local hazardous materials emergency response teams when a person responsible cannot be found or when the person responsible is unable or unwilling to pay.

No action taken.

Senate Clearinghouse Rule 96–159

Relating to sharp-tailed grouse hunting.

No action taken.

Alice Clausing
Chairperson

ADJOURNMENT

Senator Risser, with unanimous consent, asked that the Senate adjourn pursuant to **Senate Joint Resolution 1**.

Adjourned.

10:01 A.M.

AMENDMENTS OFFERED

Senate amendment 1 to **Senate Bill 17** offered by Senator Moen.